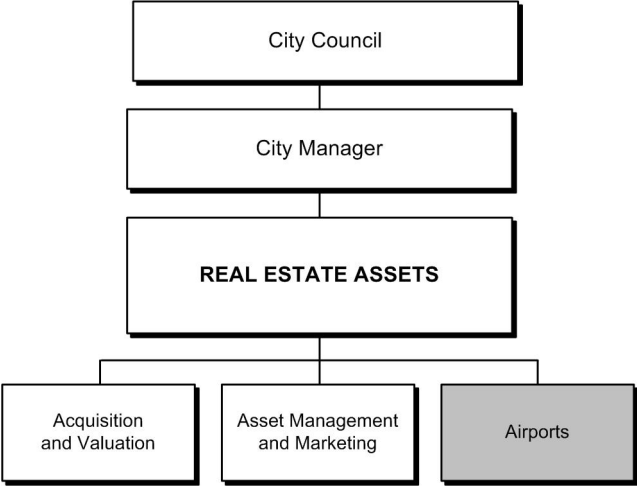




Real Estate Assets



Real Estate Assets



Mission Statement

To manage the City's real estate activities for the greatest benefit to the residents of San Diego, to manage the municipal airports to provide safe and efficient operations, and to meet the aviation needs of San Diego.

Department Description

The Real Estate Assets Department provides real estate services for the City of San Diego including property management, leasing, marketing, easements, permits for access, appraisals, valuations, relocations and acquisitions. The Department also manages two general aviation airports for the residents of San Diego.

Division/Major Program Description

Acquisition and Valuation

The Acquisition and Valuation Division provides complete valuation, acquisition and relocation services for the City of San Diego, including appraisal and acquisition of sites for public facilities, parks, open space and rights-of-way for Street Division's utility purposes. Additional services provided by this Division include appraisals for lease and/or sale of City properties, estimates of value for feasibility studies, estimates of land and rights-of-way acquisition costs, and consultation and expert witness services to the City Attorney's Office in connection with condemnation actions and other litigation issues.

Real Estate Assets

Division/Major Program Description (continued)

Airports

The Airports Division manages two General Aviation Airports: Montgomery Field and Brown Field. This Division provides safety, security and emergency response for aviation activities; coordinates special events and maintains buildings, grounds and other airport facilities. Airport Operations patrols aircraft operating areas, collects airport user fees and administers airport improvement programs. The Noise Abatement Program attempts to minimize aircraft noise impacts on surrounding communities by monitoring aircraft noise levels, enforcing airport noise regulations, educating local and transient pilots, and resolving citizen noise complaints. Budget and Administration is responsible for preparation of the Division's budget, overseeing revenues and expenditures and providing administrative support for all of the airport operations at Montgomery and Brown Field airports.

Asset Management and Marketing

The Asset Management and Marketing Division is responsible for managing and leasing City owned property; acquiring property leaseholds for municipal purposes; marketing and managing industrial and excess City owned property; granting easements and permits to public and private entities for needed utilities and other uses; dedicating and designating City owned parcels for specific uses; and performing special projects.

Service Efforts and Accomplishments

Real Estate Assets has reached a number of milestones. These milestones include generating nearly \$47 million in lease revenue in Fiscal Year 2003; renegotiation of the Bahia Hotel percentage rates to market; negotiation with the United States Golf Association to hold the 2008 U.S. Open at Torrey Pines Municipal Golf Course; acquiring 56 acres in the Del Mar Mesa area for approximately \$1.9 million for the Open Space/Multiple Species Conservation Program; and beginning the construction phase of a \$2 million project to upgrade the electrical system at Montgomery Field Airport.

Future Outlook

For Fiscal Year 2004, Real Estate Assets will be acquiring more land for the Multiple Species Conservation Program; acquiring land for the development of several new libraries; and completing upgrades at Montgomery Field Airport and a pavement rehabilitation at Brown Field Airport.

Budget Dollars at Work

\$47 Million in Citywide lease revenue

670 Leases covering 19,717 acres managed

180 Acres worth \$21 million acquired in Fiscal Year 2003

50 Business and residential relocations in conjunction with acquisitions

\$805,000 Appropriated for environmental and construction contracts resulting in the demolition of structures and asbestos removal at Brown Field Airport

Real Estate Assets

| Real Estate Assets | | | | |
|-----------------------|---------------------|---------------------|---------------------|------------------------|
| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 FINAL | FY 2003-2004 CHANGE |
| Positions | 72.14 | 70.39 | 69.14 | (1.25) |
| Personnel Expense | \$ 4,545,412 | \$ 5,016,620 | \$ 5,370,379 | \$ 353,759 |
| Non-Personnel Expense | \$ 1,898,835 | \$ 2,114,575 | \$ 2,109,078 | \$ (5,497) |
| TOTAL | \$ 6,444,247 | \$ 7,131,195 | \$ 7,479,457 | \$ 348,262 |

Department Staffing

| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 FINAL |
|----------------------------------|-------------------|-------------------|------------------|
| GENERAL FUND | | | |
| Real Estate Assets | | | |
| Asset Management & Marketing | 28.10 | 27.23 | 26.35 |
| Management | 3.84 | 3.34 | 3.34 |
| Real Estate Aquisition/Valuation | 17.70 | 17.32 | 16.95 |
| Total | 49.64 | 47.89 | 46.64 |
| CITY AIRPORT FUND | | | |
| Airports | | | |
| Airport Management | 6.00 | 6.00 | 6.00 |
| Brown Field | 8.75 | 8.75 | 8.75 |
| Montgomery Field | 6.75 | 6.75 | 6.75 |
| Noise Abatement | 1.00 | 1.00 | 1.00 |
| Total | 22.50 | 22.50 | 22.50 |

Department Expenditures

| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 FINAL |
|----------------------------------|---------------------|---------------------|---------------------|
| GENERAL FUND | | | |
| Real Estate Assets | | | |
| Asset Management & Marketing | \$ 2,268,502 | \$ 2,293,080 | \$ 2,372,178 |
| Management | \$ 40,866 | \$ 345,997 | \$ 363,140 |
| Real Estate Aquisition/Valuation | \$ 1,468,663 | \$ 1,460,075 | \$ 1,544,515 |
| Total | \$ 3,778,031 | \$ 4,099,152 | \$ 4,279,833 |
| CITY AIRPORT FUND | | | |
| Airports | | | |
| Airport Management | \$ 574,417 | \$ 543,105 | \$ 599,851 |
| Brown Field | \$ 1,070,679 | \$ 1,223,993 | \$ 1,267,061 |
| Montgomery Field | \$ 905,648 | \$ 1,186,252 | \$ 1,249,731 |

Real Estate Assets

Department Expenditures (continued)

| | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 FINAL |
|--------------------------|---------------------|---------------------|---------------------|
| CITY AIRPORT FUND | | | |
| Airports | | | |
| Noise Abatement | \$ 115,473 | \$ 78,693 | \$ 82,981 |
| Total | \$ 2,666,216 | \$ 3,032,043 | \$ 3,199,624 |

Significant Budget Adjustments

GENERAL FUND

| Real Estate Assets | Positions | Cost |
|--|-----------|----------|
| Salary and Benefit Adjustments | 0.00 \$ | 269,311 |
| Adjustments to reflect the annualization of the Fiscal Year 2003 negotiated salary compensation schedule, Fiscal Year 2004 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation. | | |
| Support for Information Technology | 0.00 \$ | (1,779) |
| Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses. | | |
| Non-Discretionary | 0.00 \$ | (4,377) |
| Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent. | | |
| Reduction in staffing | (1.25) \$ | (82,474) |
| The reduction of 0.75 Administrative Aide II and 0.50 Associate Property Agent will result in a reduction in leasing services and administrative support to various activities in Real Estate Assets. | | |

CITY AIRPORT FUND

| Airports | Positions | Cost |
|--|-----------|---------|
| Salary and Benefit Adjustments | 0.00 \$ | 168,130 |
| Adjustments to reflect the annualization of the Fiscal Year 2003 negotiated salary compensation schedule, Fiscal Year 2004 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation. | | |
| Support for Contractual Services | 0.00 \$ | 54,000 |
| Increase to miscellaneous contractual services. | | |
| Support for Information Technology | 0.00 \$ | (6,306) |
| Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses. | | |

Real Estate Assets

Significant Budget Adjustments (continued)

CITY AIRPORT FUND

| Airports | Positions | Cost |
|---|-----------|----------|
| Non-Discretionary | 0.00 \$ | (48,243) |
| Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent. | | |

Expenditures by Category

| | | FY 2002 ACTUAL | | FY 2003 BUDGET | | FY 2004 FINAL |
|------------------------|----|-------------------|----|-------------------|----|------------------|
| PERSONNEL | | | | | | |
| Salaries & Wages | \$ | 3,551,507 | \$ | 3,852,967 | \$ | 3,957,944 |
| Fringe Benefits | \$ | 993,905 | \$ | 1,163,653 | \$ | 1,412,435 |
| SUBTOTAL PERSONNEL | \$ | 4,545,412 | \$ | 5,016,620 | \$ | 5,370,379 |
| NON-PERSONNEL | | | | | | |
| Supplies & Services | \$ | 1,335,451 | \$ | 1,526,219 | \$ | 1,546,649 |
| Information Technology | \$ | 307,492 | \$ | 297,800 | \$ | 282,887 |
| Energy/Utilities | \$ | 233,159 | \$ | 266,706 | \$ | 255,692 |
| Equipment Outlay | \$ | 22,734 | \$ | 23,850 | \$ | 23,850 |
| SUBTOTAL NON-PERSONNEL | \$ | 1,898,835 | \$ | 2,114,575 | \$ | 2,109,078 |
| TOTAL | \$ | 6,444,247 | \$ | 7,131,195 | \$ | 7,479,457 |

Revenues by Category

| | | FY 2002 ACTUAL | | FY 2003 BUDGET | | FY 2004 FINAL |
|-----------------------------------|----|-------------------|----|-------------------|----|------------------|
| GENERAL FUND | | | | | | |
| Property Tax | \$ | - | \$ | - | \$ | - |
| Other Local Taxes | \$ | - | \$ | - | \$ | - |
| Licenses and Permits | \$ | - | \$ | - | \$ | - |
| Fines, Forfeitures, and Penalties | \$ | - | \$ | - | \$ | - |
| Revenue from Money & Property | \$ | 25,815,155 | \$ | 24,734,600 | \$ | 26,251,000 |
| Revenue from Other Agencies | \$ | - | \$ | - | \$ | - |
| Charges for Current Services | \$ | 1,471,398 | \$ | 1,290,000 | \$ | 1,373,000 |
| Other Revenues | \$ | 1,675 | \$ | - | \$ | - |
| Transfers from Other Funds | \$ | - | \$ | - | \$ | - |
| TOTAL | \$ | 27,288,228 | \$ | 26,024,600 | \$ | 27,624,000 |

Real Estate Assets

Key Performance Measures

| | | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2004 FINAL |
|---|-----|-------------------|-------------------|------------------|
| Average cost per aircraft operation facilitated at Brown Field | (1) | \$4.41 | \$5.40 | \$4.62 |
| Average cost per aircraft operation facilitated at Montgomery Field | (1) | \$2.27 | \$1.90 | \$2.34 |
| Average cost per Lease | | \$2,621 | \$2,215 | \$2,212 |
| Average cost per Acquisition | | \$5,533 | \$5,239 | \$5,512 |
| Average cost per Relocation | | \$7,877 | \$3,955 | \$4,133 |

Salary Schedule

GENERAL FUND

Real Estate Assets

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | <i>Total</i> |
|--------------|-----------------------------|------------------------------|------------------------------|---------------|------------------|
| 1104 | Account Clerk | 0.50 | 0.50 | \$ 32,816 | \$ 16,408 |
| 1107 | Administrative Aide II | 1.75 | 1.00 | \$ 44,193 | \$ 44,193 |
| 1218 | Assoc Management Analyst | 1.00 | 1.00 | \$ 55,512 | \$ 55,512 |
| 1228 | Assoc Property Agent | 13.50 | 13.00 | \$ 55,854 | \$ 726,106 |
| 1237 | Payroll Specialist I | 1.00 | 1.00 | \$ 35,077 | \$ 35,077 |
| 1348 | Info Systems Analyst II | 1.00 | 1.00 | \$ 56,145 | \$ 56,145 |
| 1532 | Intermediate Stenographer | 1.00 | 1.00 | \$ 34,162 | \$ 34,162 |
| 1746 | Word Processing Operator | 2.00 | 2.00 | \$ 33,015 | \$ 66,029 |
| 1756 | Property Agent | 12.00 | 12.00 | \$ 64,152 | \$ 769,827 |
| 1776 | Public Information Clerk | 2.00 | 2.00 | \$ 33,064 | \$ 66,127 |
| 1844 | Sr Account Clerk | 1.00 | 1.00 | \$ 38,198 | \$ 38,198 |
| 1876 | Executive Secretary | 1.07 | 1.07 | \$ 46,240 | \$ 49,477 |
| 1917 | Supv Management Analyst | 1.00 | 1.00 | \$ 71,077 | \$ 71,077 |
| 1929 | Supv Property Agent | 6.00 | 6.00 | \$ 71,233 | \$ 427,396 |
| 2111 | Asst City Manager | 0.01 | 0.01 | \$ 172,100 | \$ 1,721 |
| 2153 | Deputy City Manager | 0.06 | 0.06 | \$ 163,400 | \$ 9,804 |
| 2177 | Real Estate Assets Director | 1.00 | 1.00 | \$ 123,324 | \$ 123,324 |
| 2214 | Deputy Director | 2.00 | 2.00 | \$ 110,043 | \$ 220,085 |
| | Total | 47.89 | 46.64 | \$ | 2,810,668 |

CITY AIRPORT FUND

Airports

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | <i>Total</i> |
|--------------|-----------------------|------------------------------|------------------------------|---------------|--------------|
| 1105 | Administrative Aide I | 1.00 | 1.00 | \$ 37,987 | \$ 37,987 |

(1) The number of aircraft operations continues to fluctuate from year-to-year due to tighter FAA restrictions on general aviation and volatile enrollment in flight training programs.

Real Estate Assets

Salary Schedule (continued)

CITY AIRPORT FUND

Airports

| <i>Class</i> | <i>Position Title</i> | <i>FY 2003 Positions</i> | <i>FY 2004 Positions</i> | <i>Salary</i> | <i>Total</i> |
|--------------|------------------------------|------------------------------|------------------------------|---------------|---------------------|
| 1116 | Noise Abatement Officer | 1.00 | 1.00 | \$ 57,532 | \$ 57,532 |
| 1117 | Airport Operations Assistant | 4.00 | 4.00 | \$ 36,677 | \$ 146,708 |
| 1118 | Airport Manager | 2.00 | 2.00 | \$ 54,440 | \$ 108,880 |
| 1218 | Assoc Management Analyst | 1.00 | 1.00 | \$ 55,514 | \$ 55,514 |
| 1228 | Assoc Property Agent | 1.00 | 1.00 | \$ 55,854 | \$ 55,854 |
| 1348 | Info Systems Analyst II | 1.00 | 1.00 | \$ 56,143 | \$ 56,143 |
| 1535 | Clerical Assistant II | 1.00 | 1.00 | \$ 30,468 | \$ 30,468 |
| 1746 | Word Processing Operator | 1.00 | 1.00 | \$ 33,015 | \$ 33,015 |
| 1756 | Property Agent | 2.00 | 2.00 | \$ 64,152 | \$ 128,304 |
| 1808 | Sr Airport Operations Asst | 2.00 | 2.00 | \$ 40,345 | \$ 80,690 |
| 1855 | Sr Civil Engineer | 0.50 | 0.50 | \$ 81,580 | \$ 40,790 |
| 1879 | Sr Clerk/Typist | 1.00 | 1.00 | \$ 38,040 | \$ 38,040 |
| 1929 | Supv Property Agent | 1.00 | 1.00 | \$ 71,234 | \$ 71,234 |
| 1979 | Utility Worker II | 2.00 | 2.00 | \$ 34,136 | \$ 68,272 |
| 2214 | Deputy Director | 1.00 | 1.00 | \$ 110,016 | \$ 110,016 |
| | Ex Perf Pay-Classified | 0.00 | 0.00 | \$ - | \$ 2,595 |
| | Overtime Budgeted | 0.00 | 0.00 | \$ - | \$ 25,234 |
| | Total | 22.50 | 22.50 | | \$ 1,147,276 |

REAL ESTATE ASSETS TOTAL 70.39 **69.14** **\$ 3,957,944**

Five-Year Expenditure Forecast

| | FY 2004 FINAL | FY 2005 FORECAST | FY 2006 FORECAST | FY 2007 FORECAST | FY 2008 FORECAST | FY 2009 FORECAST |
|---------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Positions | 69.14 | 69.14 | 69.14 | 69.14 | 69.14 | 69.14 |
| Personnel Expense | \$ 5,370,379 | \$ 5,531,490 | \$ 5,697,435 | \$ 5,868,358 | \$ 6,044,409 | \$ 6,225,741 |
| Non-Personnel Expense | \$ 2,109,078 | \$ 2,172,350 | \$ 2,237,521 | \$ 2,304,647 | \$ 2,373,786 | \$ 2,445,000 |
| TOTAL EXPENDITURES | \$ 7,479,457 | \$ 7,703,840 | \$ 7,934,956 | \$ 8,173,005 | \$ 8,418,195 | \$ 8,670,741 |

Real Estate Assets

Fiscal Years 2005 - 2009

No major projected requirements.

Real Estate Assets

Revenue and Expense Statement

CITY AIRPORT FUND 41100

| | FY 2002 ACTUAL | FY 2003 ESTIMATED | FY 2004 FINAL |
|---|-------------------|----------------------|---------------------------|
| BEGINNING BALANCE AND RESERVE | | | |
| Balance from Prior Year | \$ 3,532,866 | \$ 5,447,607 | \$ 6,621,503 |
| Prior Year Reserves | \$ 1,283,107 | \$ 1,283,107 | \$ 711,656 |
| TOTAL BALANCE | \$ 4,815,973 | \$ 6,730,714 | \$ 7,333,159 |
| REVENUE | | | |
| Airport Fees | \$ 331,967 | \$ 377,602 | \$ 396,482 |
| CIP Grants | \$ 168,835 | \$ 260,000 | \$ 400,000 ⁽¹⁾ |
| Fund Interest | \$ 311,328 | \$ 280,000 | \$ 200,000 |
| Leases - Aviation/Non-Aviation | \$ 2,696,491 | \$ 2,716,146 | \$ 2,641,588 |
| Leases to Other City Departments | \$ 314,331 | \$ 265,248 | \$ 265,923 |
| Miscellaneous Revenue | \$ 923,054 | \$ 119,192 | \$ 272,228 |
| Operating Grants | \$ 93,070 | \$ 900,000 | \$ - |
| TOTAL REVENUE | \$ 4,839,076 | \$ 4,918,188 | \$ 4,176,221 |
| TOTAL BALANCE AND REVENUE | \$ 9,655,049 | \$ 11,648,902 | \$ 11,509,380 |
| CAPITAL IMPROVEMENTS PROGRAM (CIP) | | | |
| Capital Improvements Program | \$ 52,322 | \$ 654,000 | \$ 490,000 ⁽¹⁾ |
| Grant Funded Capital Improvements Program | \$ 168,835 | \$ 629,700 | \$ - ⁽²⁾ |
| TOTAL CIP EXPENSE | \$ 221,157 | \$ 1,283,700 | \$ 490,000 |
| OPERATING EXPENSE | | | |
| Non-Personnel Expense | \$ 1,332,768 | \$ 1,583,262 | \$ 1,092,887 |
| Personnel Expense | \$ 1,333,448 | \$ 1,448,781 | \$ 1,616,737 |
| Prior year Expense | \$ 36,962 | \$ - | \$ - |
| TOTAL OPERATING EXPENSE | \$ 2,703,178 | \$ 3,032,043 | \$ 2,709,624 |
| TOTAL EXPENSE | \$ 2,924,335 | \$ 4,315,743 | \$ 3,199,624 |
| RESERVE | | | |
| Continued Appropriations Encumbered | \$ 206,625 | \$ - | \$ - |
| Reserve for Continuing Appropriations - CIP | \$ 953,068 | \$ 594,686 | \$ 550,000 |
| Reserve for Encumbrances | \$ 123,414 | \$ 116,970 | \$ 136,000 |
| TOTAL RESERVE | \$ 1,283,107 | \$ 711,656 | \$ 686,000 |
| TOTAL RESERVE | \$ 1,283,107 | \$ 711,656 | \$ 686,000 |
| BALANCE | \$ 5,447,607 | \$ 6,621,503 | \$ 7,623,756 |
| TOTAL EXPENSE, RESERVE AND BALANCE | \$ 9,655,049 | \$ 11,648,902 | \$ 11,509,380 |

⁽¹⁾ CIP grant revenues and expenses cannot be determined until grants are applied for, approved and accepted for Fiscal Year 2004.

⁽²⁾ \$400,000 of non-personnel expense is used to pay the City share of reimbursable grant funded projects and the full cost of all non-reimbursable CIP projects.